MT LEGISLATIVE HISTORY

Chapter 591 1987

Bill H _____ (S) 292 Original bill & hist. ___C

H. Committee on Taxation			S. Committee on Business & Industry		
Hearing Date(s)	Mar 25	✓C	Hearing Date(s)	Feb 18	✓C
	Apr 08	✓C		Feb 19	✓C
	_____	___C		_____	___C
	_____	___C		_____	___C
Date Out	Apr 08	✓C		Feb 19	✓C

Did this bill originate in an interim committee? ___Yes ___No

Committee _____ Report _____

STATUS SHEET

50th LEGISLATIVE SESSION

TAXATION COMMITTEE

SENATE BILL NUMBER	ENTERED COM. DATE	DATE CON-SIDERED	OUT OF COM.	DO PASS DATE	DO NOT PASS DATE	DO PASS AS AMENDED DATE	DO NOT PASS AS AMENDED DATE	BE CON-CURRED IN DATE	BE NOT CON-CURRED IN DATE	BE CON-CURRED IN AMENDED DATE	BE NOT CONCURRE IN AS AMENDED DATE
272	3/3/87	3/25/87								4/8/87	
297	2/24/87	3/18/87							4/6/87		
325	3/13/87	3/30/87						4/6/87			
335	3/3/87	3/26/87						4/3/87			
337	3/9/87	3/27/87								4/6/87	
340	3/13/87	3/30/87								4/7/87	
377	3/12/87	3/26/87							4/7/87		
378	3/3/87	3/26/87	4/7/87	tabled							
383	3/17/87	4/03/87								4/8/87	
389	3/13/87	3/30/87								4/7/87	
390	3/17/87	4/03/87								4/10/87	

se a separate sheet for Senate Bills, House Bills, and Resolutions.

MINUTES OF THE MEETING
TAXATION COMMITTEE
HOUSE OF REPRESENTATIVES
50TH LEGISLATIVE SESSION

March 25, 1987

The meeting of the Taxation Committee was called to order by Chairman Ramirez on March 25, 1987, at 8 a.m. in Room 312B of the State Capitol.

ROLL CALL: All members of the Committee were present, except Rep. Keenan, who was excused. Also present was Dave Bohyer, Researcher, Legislative Council.

CONSIDERATION OF SENATE BILL NO. 272: Sen. J.D. Lynch, Senate District #34, sponsor of SB 272, said the bill would exempt tour trains from taxation. He explained the non-profit tour train in Butte travels from the Berkley Pit to the World Museum of Mining and to other mining facilities enroute.

PROPONENTS OF SENATE BILL NO. 272: Bill Fogle, Director of the Butte Tour Train Committee, said the bill would cost about 22 cents per acre and that Livingston would lose about $59 in taxes for its tour train from Livingston to Wilsall.

Don Peoples, Butte/Silver Bow, and member of the Montana Economic Development and the Board of Historic Parks, said it would be years before the tour train gets to a break-even point financially, and that the train needs to be able to generate revenue to get tours started, in addition to the tax exemption.

OPPONENTS OF SENATE BILL NO. 272: There were no opponents of the bill.

QUESTIONS ON SENATE BILL NO. 272: There were no questions on the bill.

CLOSING: Sen. Lynch closed without comment.

CONSIDERATION OF SENATE BILLS NO. 145, 146, AND 147: Sen. Judy Jacobsen, Senate District #36, sponsor of SB's 145,146, and 147, said all three bills arose from the same audit on county collections, and that the bills were drafted at the request of the Legislative Audit Committee, to determine when assessment of penalties and interest should be levied on mobile homes. She explained there are no provisions for delinquencies on the first half payment for mobile home taxes, and that the bills provide mobile homes be treated the same a real property for delinquencies.

DAILY ROLL CALL

HOUSE TAXATION COMMITTEE

50th LEGISLATIVE SESSION -- 1987

Date March 25, 1987

NAME	PRESENT	ABSENT	EXCUSED
REP. RAMIREZ		✓	
REP. ASAY		✓	
REP. ELLISON		✓	
REP. GILBERT		✓	
REP. HANSON		✓	
REP. HARP		✓	
REP. HARRINGTON		✓	
REP. HOFFMAN		✓	
REP. KEENAN			✓
REP. KOEHNKE		✓	
REP. PATTERSON		✓	
REP. RANEY		✓	
REP. REAM		✓	
REP. SANDS		✓	
REP. SCHYE		✓	
REP. WILLIAMS		✓	

CS-30

2

VISITORS' REGISTER

House Taxation COMMITTEE

BILL NO. SB 272 DATE March 25, 1987

SPONSOR Lynch

NAME (please print)	RESIDENCE	SUPPORT	OPPOSE

IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR WITNESS STATEMENT FORM.

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

CS-33

Rep. Hoffman asked what the state's liability problem would be. Chairman Ramirez replied liability is usually the responsibility of the lessee.

Rep. Raney made a motion that SB 272 BE CONCURRED IN AS AMENDED. The motion CARRIED unanimously.

DISPOSITION OF SENATE BILL NO. 150: Rep. Hanson made a motion that SB 150 BE CONCURRED IN.

Rep. Williams asked Chairman Ramirez how SB 150 would fit with his bill. Chairman Ramirez replied it does the same thing, but for a completely different reason.

Rep. Williams asked if the bill requires that DOR provide new information on realty transfer certificates to the public. Chairman Ramirez advised that information might be difficult for individuals to obtain on their own.

Rep. Patterson stated DOR does not accept any appraisals other than its own.

Rep. Raney commented it is not worth $800,000 in taxpayer dollars, and that that bill he and Chairman Ramirez co-sponsored would take care of the problem.

Chairman Ramirez advised that all sales assessment ratios should be taken out of SB 150, because they are covered in the Ramirez-Raney bill, and most of the cost of SB 150 is in this area. He commented that the remainder of the bill would cost very little to administer.

Rep. Hoffman stated he didn't believe SB 150 is justified, because the information can be obtained from an appraisal office. Rep. Gilbert replied assessments won't show figures, and that it is not that simple.

Rep. Hoffman advised the records are required to be made public. Chairman Ramirez replied that DOR may not reveal exact names or location of property.

Rep. Hoffman made a motion to TABLE SB 150. The motion CARRIED unanimously.

DISPOSITION OF SENATE BILL NO. 383: Rep. Hanson made a motion that SB 383 BE CONCURRED IN.

Chairman Ramirez stated the fiscal note assumes new production, and that the bill has been amended to half the amount stated in the fiscal note, but he believes it really won't stimulate any new production. He said the bill does not address long-range benefits for the exemption for the

DAILY ROLL CALL

HOUSE TAXATION COMMITTEE

50th LEGISLATIVE SESSION -- 1987

Date April 8, 1987

NAME	PRESENT	ABSENT	EXCUSED
REP. RAMIREZ	✓		
REP. ASAY	✓		
REP. ELLISON	✓		
REP. GILBERT	✓		
REP. HANSON	✓		
REP. HARP	✓		
REP. HARRINGTON	✓		
REP. HOFFMAN	✓		
REP. KEENAN	✓		
REP. KOEHNKE	✓		
REP. PATTERSON	✓		
REP. RANEY	✓		
REP. REAM	✓		
REP. SANDS	✓		
REP. SCHYE	✓		
REP. WILLIAMS	✓		

CS-30

STANDING COMMITTEE REPORT

APRIL 7 19 37

Mr. Speaker: We, the committee on HOUSE TAXATION

report SENATE BILL NO. 272

☐ do pass
☐ do not pass

☒ be concurred in
☐ be not concurred in

☒ as amended
☐ statement of intent attached

Representative Jack Ramirez, Chairman

Be amended as follows:

1. Page 2, line 16
   Strike: "shall"
   Insert: "may not"

2. Page 2, line 17
   Following: "railroad"
   Strike: "property, both real and personal"
   Insert: "right-of-way or track"

3. Page 2, lines 18 through 23
   Following: "part 1," on line 18
   Strike: remainder of line 18 through "tax" on line 23
   Insert: "as long as the state retains ownership and the right-of-way and track is used exclusively for rail transportation"

THIRD reading copy (BLUE color)

CHAIRMAN--SEN. ALLEN C. KOLSTAD
NORMAL SCHEDULE==> SITE: ROOM 410 DAYS: MON THRU FRI TIME: 10:00 A.M.
SECRETARY-CAROLYN LINDEN

--BILL NO---	REFER DATE---	HEARING DATE---	CONSIDERATION DATES	COMMITTEE ACTION	REREFERRED TO COMM	DATE OUT
SB0254	1/30	2/11	2/11/87	DO PASS		2/11/87
WALKER, MIKE			PROVIDE THAT OFFICE OF SECURITIES COMMISSIONER IS A CRIMINAL JUSTICE AGENCY			
SB0257	1/30	2/06	2/6/87; 2/11/87	PASS AS AMENDED		2/11/87
THAYER, GENE			REINTRODUCE LOW-INCOME TELEPHONE ASSISTANCE PROGRAM			
SB0263	2/02	2/13	2/13/87; 2/16/87	DO PASS		2/16/87
WILLIAMS, BOB			REMOVE HEARING REQUIREMENT FOR PROJECT FUNDED BY TAXABLE BONDS			
SB0272	2/03	2/18	2/18/87; 2/19/87	PASS AS AMENDED		2/19/87
LYNCH, JOHN (J.D.)			EXEMPT FROM BENEFICIAL USE TAXATION STATE-ACQUIRED RAILROAD PROPERTY			
SB0291	2/05	2/18	2/18/87; 2/20/87	DO PASS		2/20/87
KEATING, THOMAS F.			ALLOW OUT-OF-STATE BANK TO ACQUIRE OR BE ACQUIRED BY IN-STATE BANK			
SB0293	2/05	2/19	2/19/87	DIED IN COMMITTEE		------
BOYLAN, PAUL F.			LEGALIZE, LICENSE ELECTRONIC VIDEO TWENTY-ONE MACHINES			
SB0294	2/05	2/17	2/17/87	DO PASS		2/17/87
MEYER, DARRYL			INCREASE CHARGES THAT FARM MUTUAL INSURER MUST PAY FOR EXAMINATION OF BOOKS			
SB0295	2/05	2/17	2/17/87	PASS AS AMENDED		2/17/87
MEYER, DARRYL			EXEMPT FEDERAL CROP INSURANCE AGENTS FROM EXAMINATION REQUIREMENTS			
SB0298	2/05	2/17	2/17/87	PASS AS AMENDED		2/17/87
NEUMAN, TED			CREATE NEW BOARD OF INVESTMENTS; ALLOCATE TO DEPT OF COMMERCE			
SB0299	2/05	2/17	2/17/87	PASS AS AMENDED		2/17/87
MEYER, DARRYL			PROVIDE STATUTES OF LIMITATIONS FOR SECURITIES ACTIONS			
SB0308	2/06	2/18	2/18/87; 2/20/87	PASS AS AMENDED	BUSINESS & LABOR	2/20/87
TVEIT, LARRY J.			ALLOW BLACKJACK IF AUTHORIZED BY VOTERS OF LICENSING JURISDICTION			

by interstate banking permission and it does not appear to threaten the small banks. He said there was no data, whatsoever, to indicate that there is any threat to independent or small banks. He encouraged the committee support SB 291 so the state of Montana can get into the mainstream of banking activity and provide us with the capital necessary to serve the customers and needs in the state.

The hearing on SB 291 was closed.

CONSIDERATION OF SENATE BILL NO. 272: Sen. J.D. Lynch, Senate District 34, Butte-Silver Bow, Anaconda-Deer Lodge, sponsor, said it was an uncontroversial bill. He said that the bill was a railroad bill although Burlington Northern might not think so as it doesn't concern the caboose. The bill, with the amendments which are absolutely necessary, would exempt any railroad used for tourism and is less than $1 million, from property taxes. This was endorsed in his area by both local governments. He said there were a couple other tour trains in the state to which this would apply. This would not affect the larger trains. The trains involved are non-profit and going on line for the first time this spring. (EXHIBIT 4A)

PROPONENTS: Tom Shands, Managing Editor of the Livingston Enterprise, appeared as one of the persons responsible for a scenic passenger railroad in Park County urged support of the bill and submitted written testimony from the Crazy Mountain Railroad (EXHIBIT 5).

Rep. Bob Raney, District 82, Livingston, said he had worked on the Crazy Mountain Railroad for the past year. He said their goal is to attract tourist dollars to the Upper Yellowstone and said they feel if they could get this railroad into existence it would benefit all of their area and could provide an added attraction to using the Gardiner and Red Lodge entrances to Yellowstone Park.

Bill Fogarty, Department of Commerce, said there are two proposed tourist railroads in the state - one from Livingston to Wilsall, about 22 miles and the other from Rocker up onto the old mine area in Butte, a distance of approximately 8 miles. They are both primarily designed for tourism, they would be tax exempt under this proposal if their gross operating revenues would be less than $1 million. The initial start-up cost is rather large, there is a large outlay required for rail rehab and equipment acquisition. The tax loss, if the railroads do not materialize and the land goes back to grazing land, would be $56 to Park County and for Butte-Silver Bow about $21.33. He said the Department of Commerce supported the bill.

DISCUSSION OF SENATE BILL NO. 272: Chairman Kolstad then called for questions from the committee. Sen. Williams asked Sen. Lynch if the railroads would be state-owned. Sen. Lynch said they would not be owned by any local government and would be owned by

private non-profit corporations. There would be no added expense to the state.

Sen. Neuman asked Sen. Lynch why they included the definition of "abandonment" as it is not discussed in the bill at all. Mr. Fogarty said that these branch lines were acquired under that title 16 and the reason that definition was included in there was because some of the lines had gone through a formal abandonment procedure. The line at Butte was donated to the state of Montana by Atlantic-Richfield and they were trying to clarify what they meant by abandonment.

Sen. Neuman asked what the tax was from which they would be exempt. Mr. Fogarty said as long as the state has any ownership in the rail bed the Department of Revenue deemed that they could be taxed under what they determined was a beneficial use concept. They would not be exempt from corporate license tax and property tax. Mr. Fogarty said it would be just property tax exemption and they are a non-profit organization.

Sen. Weeding wondered what a beneficial use tax was. Sen. Lynch said it is just a property tax. He said the Department of Revenue is obligated to tax, unless this bill passes, as if it was a profit making private industry because they are using abandoned railroads that they presently have.

In closing, Sen. Lynch said this was one very small way to stimulate some tourism in several different communities. He reminded the committee that the amendments were very necessary to the bill.

CONSIDERATION OF SENATE BILL NO. 308: Sen. Larry Tveit, Senate District 11, chief sponsor of the bill, said the bill legalizes the card game of blackjack if local voters authorize its play. Blackjack or twenty-one is added to the list of authorized card games in Title 23 if the issue is referred to the electorage and a majority authorize its play in the locality. The bill provides that a licensed establishment may have only two tables with one tame at a table and a maximum of 7 persons, including the dealer, in a game. The maximum bet allowed is $5 per player per hand he plays. The bill allows the locality to charge an annual license fee. A dealer must be licensed at a fee of $50 per year. The dealer must wear an identifying badge or card that identifies him as the dealer and states he is licensed. Sen. Tveit said there were some clean-up amendments that are needed in the bill. He briefly went through the amendments for the benefit of the committee members. (EXHIBIT 6)

PROPONENTS: Phil Strope, attorney and lobbyist for the Montana Tavern Association, echoed the statements of Sen. Tveit and said they need to give the local governing bodies the authority to make the decision. They felt the stimulus of "21" would be good

Business & Industry COMMITTEE

50th LEGISLATIVE SESSION -- 1987 Date 2/18/87

NAME	PRESENT	ABSENT	EXCUSED
ALLEN C. KOLSTAD, CHAIRMAN	✓		
TED NEUMAN, VICE CHAIRMAN	✓		
PAUL BOYLAN	✓		
TOM HAGER	✓		
HARRY H. McLANE	✓		
DARRYL MEYER	✓		
GENE THAYER	✓		
MIKE WALKER	✓		
CECIL WEEDING	✓		
BOB WILLIAMS	✓		

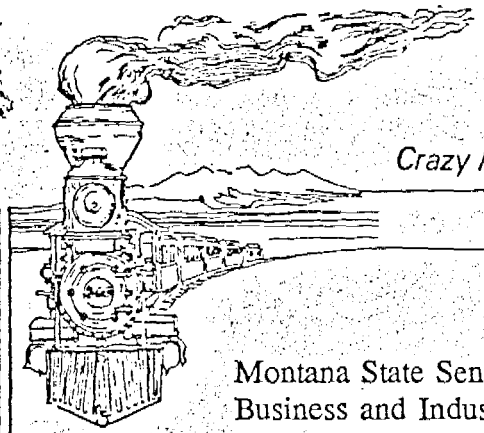
Each day attach to minutes.

SENATE BUSINESS & INDUSTRY
EXHIBIT NO. 4A
DATE 2-18-87
BILL NO. SB 272

Amend Senate Bill No. 272, Introduced Copy

1. Page 2, lines 18 and 19.
Following: "that" on line 18
Strike: "Class III"
Following: "railroads" on line 18
Strike: ", as defined by the interstate commerce commission in 49 CFR, part 1201,"

2. Page 2, line 20.
Following: "than"
Strike: "$5"
Insert: "$1"
Following: "million"
Insert: "that are devoted solely to tourism promotion"



Crazy Mountain Railroad

P.O. Box 216 Livingston, Montana 59047

Montana State Senate
Business and Industry Committee
Room 410, State Capitol
Helena, Montana

Feb. 18, 1987

SENATE BUSINESS & INDUSTRY
EXHIBIT NO. 5
DATE 2/18/87
BILL NO. SB 272

Dear Committee Member,

The Crazy Mountain Railroad in Park County, Montana has been incorporated as a non-profit entity for the sole purpose of developing the Shields River Branch Line as the route for an historic passenger railroad. The objective of the tourist railroad is to attract more visitors to the county, thereby bolstering the local economy.

Throughout the nation small scenic passenger railroads — many of which create an historic flavor through the use of steam locomotives, old passenger cars, dining cars and train personnel dressed in period clothing — have proven themselves to be a popular tourist attractions. Many of these scenic tourist railroads carry 50,000 to 100,000 riders a year and some carry over 200,000 riders annually.

Those working on the Crazy Mountain Railroad project believe that such an attraction could be successful in Park County, which is in an excellent position to attract tourists from Yellowstone National Park, a world-renowned attraction that recieves over 2.2 million visitors annually. Park statistics show that over 360,000 people enter the park through the north entrance at Gardiner each year, and many more exit the park there. But the key to developing a tourist industry is having local attractions that get people off the highways and into town for an extended visit.

The Livingston Depot Foundation is in the process of transforming the magnificent Northern Pacific Depot into a Western art museum. The museum is slated to open this July and will bring thousands of people into Livingston — people who will spend money in the local economy and help build our tourist industry. The Crazy Mountain Railroad directors believe the passenger train project will complement the Depot Center Museum and help attract additional visitors and give them a reason to stay longer and spending more money.

The Crazy Mountain Railroad has received a $10,000 grant from the federal Economic Development Administration to conduct a feasibility study of the passenger train project. Several firms from throughout Montana and the nation have submitted bids to conduct that study, and that bid will be awarded in early March. We are confident the study will show the project can be viable on a break-even basis, with any and all profits turned back into the railroad for track maintenance, purchasing and repairing rolling stock and advertising.

Addition expenses, such as property taxes on the line, would create additional burdens for small, non-profit scenic railroads, which — when combined with other expenses such as insurance and maintenance — may even prove to be too much for the short-line railroad to bear.

The operation of a short-line passenger railroad in Park County would create jobs in itself, as well as creating "spinoff" jobs in Livingston, Clyde Park and Wilsall. If the project fails, the Burlington Northern will remove the track and the railroad right-of-way would eventually revert back to an agricultural tax classification. As such, it would only generate about $400 a year in property taxes.

The Board of Directors of the Crazy Mountain Railroad believes that by exempting from property taxes state-acquired railroad rights-of-way, SB 272 will not result in any great loss of revenue for local governments and school districts across the state but will in fact help to create jobs wherever these scenic passenger railroads are established and bolster new and existing businesses. Developing the Crazy Mountain Railroad would be beneficial to all of Park County, which has suffered enormously in the last few years.

As you know, in 1986 Livingston Park County were shocked by the closure of the Burlington Northern locomotive repair shops and the loss of over 500 jobs both in the railroad industry and other support industries. Some estimate put the 1986 job loss in Park County at over 900, and many, many more jobs have been lost since 1979 when over 1,000 people were employed at the shops. Economic redevelopment efforts are underway, but progress will be slow and hard fought as the local development corporation tries to create new jobs to bolster the sagging economy.

The prospect of attracting new business and industry to Park County appears to be limited due to a number of factors, such as distance from major markets, facilities available locally and the "negative" business climate many perceive Montana to have. Tourism, on the other hand, is a bright spot in the state's economic picture and one not affected by the Montana's location or its business climate.

Tourism is Montana's second leading industry behind agriculture and one that is well suited to help bring Park County out of its economic woes. Many believe that with the Depot Center Museum, the Crazy Mountain Railroad and the historic rehabilitation that was completed in downtown Livingston, Park County will actually begin to divert tourists through Yellowstone Park who head north to Montana to see those attractions before heading on to see other attractions in the state such as Glacier National park.

We, the Board of Directors of the Crazy Mountain Railroad urge the Montana Legislature to pass SB272 to remove one roadblock that stands before us and a project that could have a tremendous beneficial impact on the Park County and the City of Livingston.

The following information is submitted for your behalf to provide more information about the Crazy Mountain Railroad project and the Shields Valley Branch Line. If you have any additional questions please contact Rep. Bob Raney or call me, Tom Shands at 222-2665.

The Shields River Branch Line is a 23-mile line that runs between Mission (a siding located four miles east of Livingston) and the town of Wilsall, Montana. The line was built in 1909 to haul passengers to and from the towns of Chadbourne, Clyde Park and Wilsall, and to haul grain from the valley. Resumption of grain hauling from the valley is a possibility if the line is reopened for passenger use.

The Burlington Northern Railroad abandoned the line in 1985 and has since removed several sections of rail to physically disconnect the branch line from its main line. The line was slated for removal during the summer of 1986, but through local efforts the BN agreed to leave the line in place to allow time to develop this project.

Burlington Northern officials have given tentative approval of plans to donate the branch line right-of-way to the State of Montana if the Crazy Mountain Railroad can demonstrate that the project could be economically viable. BN has also left the door open for additional donations of used track, ties and rolling stock to further assist the project. (In other states BN has generously donated similar items to tourist railroads)

A feasibility study will soon be underway to determine potential ridership, initial start-up costs and annual expenses and revenues. That study should be completed by May 1.

Exhibit 5
Date 2-18-87

5-8-86

Livingston men studying Shields Valley tourist train

By PETER CAUGHEY
Chronicle Staff Writer

Two Livingston men are looking into running a steam-powered tourist train between Livingston and Wilsall.

Burlington Northern announced this week that it will suspend for one year the proposed demolition of the 23-mile Shields Valley branch line to allow the possibility of creating a tourist line to be explored.

Bob Raney, a BN conductor and state legislator, and Tom Shands, a reporter for the Livingston Enterprise newspaper, will study starting up a "Crazy Mountain Railroad," Shands said Wednesday.

Shands said old steam locomotives, passenger and dining cars are available to buy. Dining on a tourist train making an evening run has proved popular in other parts of the country, he said.

The tourist train would run as far north as Wilsall, which is equipped with a turnaround, Shands said.

With the loss of the BN locomotive repair shops the Livingston economy is going to have to change, Shands said, adding that many people believe tourism is a natural for the area.

The railroad could capitalize on tourists visiting Yellowstone National Park and the museum in the old Livingston BN depot, he said.

BN abandoned the Shields Valley line, which had been used to haul grain, in 1983. It might even be feasible to resume hauling grain if the tourist line became a reality, he said.

Montana law allows the state to assume control of abandoned railroad lines, as the state has done near Geraldine, he said.

Shands said the tourist line would be non-profit, which would make it eligible for grants. He estimated the cost of starting the railroad at about $1 million.

Steam railroad dream gets boost

5-7-86

By Enterprise Staff

A dream took a step closer to reality Tuesday for two Livingston residents hoping to develop a scenic passenger railroad in Park County.

The turn-of-the-century steam engine railroad being promoted by Tom Shands and state Rep. Bob Raney, D-Livingston, would run from Livingston to Wilsall along the 23-mile Mission branch line, shuttling tourists through the Shields Valley.

The Burlington Northern Railroad, which owns the branch line, announced Tuesday that it would hold off on a planned demolition of the line, giving Shands and other backers a chance to study the feasibility of developing the tourist train.

"We're taking this one step at a time," said Shands. "We've got a line, now we need funding. We're going to have to get on it quickly."

"Every town has the same dream, to have something unique," Raney said. "This is one of those projects."

Shands, who would like to open the railroad by 1989, the state's centennial, said development of a tourist railroad has "been done recently and it's been done successfully."

He said railroad backers will have to determine first whether it will be economically feasible to operate the railroad. If the study proves positive, the group will look for a steam engine and passenger cars, he said.

Shands said backers would need about $1 million to start the railroad, which would include buying a steam engine and passenger cars and repairing parts of the branch line. Once in operation, the tourist train would employ about 15 full-time mechanics and train operators as well as seasonal employees, he said.

Raney said railroad backers can also take advantage of a skilled work orce of retired railroad workers, many of whom repaired steam engines for the Northern Pacific Railroad.

"With everyone I've talked to, there's immediate excitement," Raney said. "There are a lot of old-timers who are ready to twist the nuts and bolts and pull the throttle" on a steam engine.

Shands said there are 60 steam engine railroads already in operation in just about every state but Montana. A train in the isolated town of Durango, Colo., for example, attracts about 185,000 riders and over $4.5 million into the local economy. Smaller trains in West Virginia and Wisconsin are operating at a profit, averaging about 50,000 riders annually.

In addition to scenic rides through the Shields Valley, Shands said the train may offer evening dinner rides serving gourmet food.

Shands said the railroad would go "hand in hand" with recent efforts to develop Livingston heritage such as downtown historic renovation and the Livingston Depot Foundation effort to renovate the railroad depot to house a Western art and history museum.

The railroad would be another drawing card to bring the more than 2 million people who visit Yellowstone National Park to Livingston, Shands said.

John Wilson, head of the state Commerce Department's travel promotion division, said Wednesday that the railroad, if developed, would contribute to the "critical mass" needed to attract tourists to a community.

"It's a nice addition to what Livingston has already done," Wilson said. "These kind of projects can really pull the people off the road."

"The sky's the limit on this," Raney said. "Just dream and let your mind wander."

whole fee schedule on a percentage basis and if that should pass, that would solve the problem as it would equalize out the fees and would be much more fair. Sen. Neuman agreed with the statement of Sen. Thayer and said this approach would exclude the state forever of getting a part of the gambling proceeds from these machines. The MOTION CARRIED UNANIMOUSLY.

DISPOSITION OF SENATE BILL NO. 360: Sen. Thayer asked that Ms. McCue draft the amendment as discussed, agreed to by Sen. Meyer. Ms. McCue stated the following amendment: "Any other notice, whether constructive or actual, would not be sufficient to allow the supplier to go against the bond." Sen. Thayer MOVED ADOPTION OF THE AMENDMENT, seconded by Sen. Meyer. The MOTION CARRIED UNANIMOUSLY.

Sen. Thayer MOVED SB 360 DO PASS AS AMENDED, seconded by Sen. Meyer. The MOTION CARRIED UNANIMOUSLY.

Sen. Kolstad being present, stated he had a telephone call from the Department of SRS informing him they would be receiving some communication from the Federal Department of Health and Human Services in Denver in regard to SB 205, the pharmacy voucher bill.

RECONSIDERATION OF SENATE BILL NO. 210: Sen. Neuman stated that apparently when the bill was passed out of committee they didn't amend all the proper sections. Sen. Neuman asked Ms. McCue to explain what the problems were. She stated that in the bill they repeal a section of the codes and that section was mentioned in numerous other places and when a section is repealed it has to be deleted where that statute is referred to and that was not caught during the drafting process. These would be technical amendments, she said.

Sen. Thayer MOVED RECONSIDERATION OF SB 210, MOTION CARRIED UNANIMOUSLY.

Sen. Kolstad MOVED ADOPTION OF THE TECHNICAL AMENDMENTS, seconded by Sen. Meyer. The MOTION CARRIED UNANIMOUSLY.

Sen. Kolstad MOVED SB 210 DO PASS AS AMENDED, seconded by Sen. Meyer. The MOTION CARRIED with Sen. Neuman voting "no".

DISPOSITION OF SENATE BILL NO. 272: Sen. Neuman pointed out the proposed amendments by Sen. Lynch. Sen. Neuman explained the change in amount the non-profit organization could make from $5 million to $1 million before they would be subject to tax. The other amendment was to change the Class 3 railroad to the Interstate Commerce definition. Sen. Kolstad said the total mileage being looked at in this situation was 30 miles, as he recalled, or about 12.2 acres per mile so the tax was very insignificant.

Sen. Kolstad said that first of all, before it could qualify

under this bill, it would have to be sold to an organization or business that would be a non-profit organization that would have less than $1 million gross. Sen. Neuman felt that the $1 million was a little high and wondered if a grain elevator could form a non-profit corporation and move grain between elevators, etc. It was pointed out that it must be devoted solely to tourism.

Sen. Williams MOVED ADOPTION OF THE AMENDMENTS, seconded by Sen. Walker. The MOTION CARRIED UNANIMOUSLY.

Sen. Weeding MOVED SB 272 DO PASS AS AMENDED, seconded by Sen. McLane. The MOTION CARRIED UNANIMOUSLY.

CONSIDERATION OF THE WEEDING/COMMITTEE BILL: (Number to be assigned upon being introduced) Ms. McCue stated it was not ready at that time but would be delivered shortly. She explained the bill and said it was very simple, but unless the committee wanted to meet again that day they would have to pass it out without seeing it. She said it amends Title 50, or the portion of Title 50, that deals with health care facilities. It sets out definitions of health care facilities to include a new category called a medical assistance facility and sets out the requirements of what that facility would have to have. The third section of the bill would be an extension of the rule-making authority of the department of health because the licensing requirements are almost exclusively set by rule, according to Ms. McCue. This facility would have to apply to the department and then adhere to their rules that would be adopted. She also said it would have to be introduced this day so she would deliver it to the members as soon as it was completed. Sen. Kolstad MOVED that Sen. Weeding's Committee Bill be given a DO PASS RECOMMENDATION. The MOTION was Seconded by Sen. Walker and CARRIED UNANIMOUSLY. (COMMITTEE REPORT HELD UNTIL 2/20/87 FOR CONSIDERATION OF POSSIBLE AMENDMENTS)

Sen. Neuman said he would rather wait with the "21" bills until February 20th. Sen. Kolstad stated that the committee had a great deal of work scheduled for the 20th and one of them was the emergency chartering bill.

Sen. Thayer asked for a point of clarification on the committee bill regarding the emergency chartering - was that language the same language that was put into his bill and Sen. Boylan's bill. Sen. Neuman said he had requested only emergency chartering and not emergency branching. Ms. McCue said the language that was put into Sen. Boylan's bill was just emergency chartering without having to give notice.

Sen. Neuman informed the committee that the "21" bills would be taken up on February 20, 1987, plus other bills to be heard.

ROLL CALL

Business & Industry COMMITTEE

50th LEGISLATIVE SESSION -- 1987 Date 2/19/87

NAME	PRESENT	ABSENT	EXCUSED
ALLEN C. KOLSTAD, CHAIRMAN	✓		
TED NEUMAN, VICE CHAIRMAN	✓		
PAUL BOYLAN	✓		
TOM HAGER	✓		
HARRY H. McLANE	✓		
DARRYL MEYER	✓		
GENE THAYER	✓		
MIKE WALKER	✓		
CECIL WEEDING	✓		
BOB WILLIAMS	✓		

Each day attach to minutes.

STANDING COMMITTEE REPORT

February 19 19 87

MR. PRESIDENT

We, your committee on BUSINESS AND INDUSTRY

having had under consideration SENATE BILL No. 272

First reading copy (White color)

EXEMPT FROM BENEFICIAL USE TAXATION STATE-ACQUIRED RAILROAD PROPERTY

Respectfully report as follows: That SENATE BILL No. 272

be amended as follows:

1. Page 2, lines 18 and 19.
Following: "that" on line 18
Strike: "Class III"
Following: "railroads" on line 18
Strike: ", as defined by the interstate commerce commission in 49 CFR, part 1201,"

2. Page 2, line 20.
Following: "than"
Strike: "$5"
Insert: "$1"
Following: "million"
Insert: "that are devoted solely to tourism promotion"

AND AS AMENDED
DO PASS.

~~DO NOT PASS~~

Senator Ted Neuman Vice Chairman.